

For: General Motors Acceptance Corporation

NOV 1 1953

From: Campbell-Ewald Company
1 East 57th Street
New York 22, N. Y.

AR35

Murray Hill 8-3190

For release on, or after Nov. 1

NEW CANADIAN SUBSIDIARY ORGANIZED
BY GENERAL MOTORS ACCEPTANCE CORP.

On November 2, Firm Will Absorb 19
GMAC Branch Offices Located in
Dominion.

FOUR PROMINENT CANADIANS TO SERVE ON BOARD OF DIRECTORS

NEW YORK---In pace with Canada's increasing importance as one of the world's great markets, the General Motors Acceptance Corporation will establish a new and wholly-owned subsidiary corporation on Monday, Nov. 2, to service the growing list of more than 2,000 General Motors dealers in the Dominion with the famous GMAC Plan of wholesale and retail financing, John J. Schumann, Jr., president, announced today.

To be known as the General Motors Acceptance Corporation of Canada, Limited, the new company, which will have its headquarters in Toronto, will absorb all the assets, liabilities and obligations of the 19 GMAC Branch Offices now operating directly in Canada at the close of business on October 31. All GMAC business in Canada will then be conducted under the new firm name.

The Canadian Minister of Finance, Mr. Douglas C. Abbott, officially welcomed the new company to Canada in a letter to Mr. Schumann, who will also act as president of GMAC of Canada, Limited. Mr. Abbott's letter read: "I am happy to congratulate you on the incorporation and organization of your Canadian company, General Motors Acceptance Corporation of Canada, Limited, and to welcome this new company to Canada.

I take this as another indication of the importance which General Motors attaches to its Canadian activities."

Branch Offices of the company are now located in Calgary, Chicoutimi, Edmonton, Halifax, Hamilton, Kingston, London, Montreal, North Bay, Ottawa, Regina, Saskatoon, St. Catharines, St. John's, Toronto, Vancouver, Victoria, Windsor and Winnipeg. According to Mr. Schumann, new Branch Offices will be established in other key Canadian cities as soon as business warrants.

Four prominent Canadians, all closely connected with General Motors activities over a long period of years, will serve on the Board of Directors of the new company. They are R. Samuel McLaughlin, William A. Wecker, James D. Smart, and Charles E. Hebert. In addition to serving on the Board, the latter three will also be members of the Executive Committee. Mr. Smart will also be a vice-president.

Mr. McLaughlin, world-famed as a sportsman and philanthropist as well as industrialist, is a vice-president and director of General Motors Corporation and Chairman of the Board of General Motors of Canada, Ltd. He can actually trace his connection with General Motors back 66 years when he first started work in his father's carriage factory which became the McLaughlin Motor Car Company and which later was merged with General Motors. Mr. McLaughlin was first made a director of General Motors Corporation in 1910. He was made president of General Motors of Canada, Ltd. and vice-president of General Motors Corporation in 1918. He became chairman of the board of the Canadian company in 1945.

Mr. McLaughlin is also vice-president of the Dominion Bank; director of Canadian Pacific Railway Co.; director of Consolidated Mining & Smelting Co. of Canada, Ltd.; member of the executive committee,

International Nickel Co. of Canada, Ltd.; director of Royal Trust Co.; director of Canadian General Electric Co., Ltd., director of McIntyre-Porcupine Mines; and director of Moore Corporation, Ltd.

Mr. Wecker, president and general manager of General Motors of Canada, Ltd., has a record of 17 years service with General Motors. He is a past chairman of the Society of Automotive Engineers and a member of the Canadian Manufacturers Association. In 1946, he was made a member of the Order of the British Empire (O.B.E.). Mr. Smart has served in various capacities with the General Motors Acceptance Corporation for the past 34 years while Mr. Hebert has been with GMAC for 29 years.

The general business of the General Motors Acceptance Corporation, which opened its first Canadian Branch Office in Toronto on April 28, 1919, three months after its incorporation in New York, is to finance the distribution and sales of General Motors automobiles, trucks and other products. These include Buick, Cadillac, Chevrolet, Oldsmobile and Pontiac automobiles and used automobiles of any make which may be sold at retail by dealers in General Motors products; also, automobile parts, accessories and service repairs; Frigidaire electric refrigerators and other household appliances, air conditioning and commercial refrigeration equipment; Delco automatic heating equipment; Electro-Motive Diesel equipment for railroads; Diesel engines for stationary and marine application; and GMC trucks and coaches.

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A copy of this prospectus has been filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act.

This prospectus is not, and under no circumstances is to be construed as, a public offering of these Short Term Notes for sale in the United States of America or in the territories or possessions thereof.

PROSPECTUS

GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED

Short Term Notes

Issued to mature on any business day up to three years from date of issue

(Unconditionally guaranteed as to payment, when and as the same shall become due and payable, by General Motors Acceptance Corporation, a New York corporation)

Short Term Notes with maturities ranging up to 365 days will be issued at a discount in various denominations from \$5,000 to \$1,000,000 and will be payable to bearer in lawful money of Canada at the Toronto office of the Company's bankers specified therein.

Short Term Notes with maturities ranging between one and three years will be issued in registered form at par in denominations of \$5,000 and multiples thereof, with interest payable semi-annually to the registered holders. Both principal and interest will be payable at the head office of the Company, 2200 Yonge Street, Toronto, Ontario.

The Short Term Notes will be issued by the Company as and when required in an aggregate principal amount not now determined, and will not be subject to prepayment by the Company without the consent of the holder. The net proceeds to be received by the Company from the issue thereof will be used for general corporate purposes.

The Short Term Notes will be unsecured and will rank *pari passu* with other outstanding Notes, Loans, and Debentures, the details of which are set forth under the heading "Capitalization" on page 3 of this prospectus.

All amounts herein are expressed in Canadian dollars, unless otherwise stated.

The Short Term Notes are offered by the Company's agents for this purpose, subject to confirmation by the Company. In addition, in the Provinces of Ontario and Quebec, the Short Term Notes are also offered directly by the Company. The Short Term Notes are offered subject to legal opinion on behalf of the Company's agents by Messrs. McCarthy & McCarthy, Toronto, who will rely in matters of United States law on the opinion of Messrs. White & Case, New York; on behalf of the Company by Messrs. Beaton, Leake, Fellowes, Hoolihan & Elashuk, Toronto; and on behalf of General Motors Acceptance Corporation by Mr. Aloysius F. Power, Detroit, Michigan.

Rates on Application

The Short Term Notes will be issued at rates of discount or interest determined by the Company from time to time.

Delivery of Short Term Notes against payment to the Company therefor will be made to the purchaser or the bank designated by the purchaser.

Any registered holder of an interest bearing Short Term Note may transfer the Note upon payment of any taxes incidental thereto by executing the form of transfer provided on the reverse side of the Note and returning the Note to the head office of the Company for issuance of a new Short Term Note payable to and registered in the name of the transferee. The new Note will be of the same amount, date, rate and maturity as the original Note; however, in the event that one or more interest payments have been made prior to the transfer, the new Note will be dated as of the last interest payment date to which interest has been paid. No transfer will be registered during the seven days immediately preceding the dates fixed for payment of interest.

April 9, 1965

The following information has been supplied by the officers of the Company in connection with the issue of the Short Term Notes offered by this prospectus.

THE COMPANY

GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED (herein called the "Company") was incorporated on October 15, 1953, under the laws of Canada for the purpose of acquiring the business in Canada of General Motors Acceptance Corporation, a New York corporation which is a wholly-owned subsidiary of General Motors Corporation, a Delaware corporation. The authorized and issued capital of the Company is 150,000 common shares of \$100 par value, all of which are beneficially owned by General Motors Acceptance Corporation.

The general business carried on by the Company is to finance the distribution in Canada of new products manufactured by General Motors to dealers for resale, and to finance such dealers' retail instalment sales of new products as well as used units of any make. Such new products include Buick, Cadillac, Chevrolet, Oldsmobile and Pontiac cars, Chevrolet trucks, and accessories; Frigidaire electrical refrigerator units, other household appliances and air conditioning equipment; Diesel engines for stationary and marine application; GMC trucks and coaches; Euclid off-the-highway earth moving equipment; and Vauxhall cars and Bedford trucks manufactured in England.

The Company's head office is located at 2200 Yonge Street, Toronto, Ontario. As of December 31, 1964 the Company had 602 employees and operated thirty-two branches in leased premises at Barrie, Calgary, Chicoutimi, Dorval, Edmonton, Fort William, Halifax, Hamilton, Kelowna, Kingston, Lethbridge, London, Montreal, North Bay, Oshawa, Ottawa, Quebec, Regina, Rimouski, St. Catharines, Saint John (New Brunswick), St. John's (Newfoundland), Saskatoon, Sault Ste. Marie, Sherbrooke, Sudbury, Toronto, Toronto (Eglinton Avenue), Vancouver, Victoria, Windsor and Winnipeg.

VOLUME OF BUSINESS

The table below shows the volume of receivables acquired during the five years ended December 31, 1964:

<u>Year</u>	<u>Volume of Receivables Acquired</u> <u>(including renewals)</u>	
	<u>Wholesale</u>	<u>Retail</u>
1960.....	\$485,330,105	\$263,999,684
1961.....	409,676,658	212,606,954
1962.....	576,765,111	239,372,872
1963.....	659,017,689	270,922,919
1964.....	672,703,461	285,952,018

Commencing with the introduction of 1962 models in September 1961, General Motors deferred settlement by sales finance companies (including the Company) and banks for automobile wholesale financing for up to 15 days. No interest charge is made by the Company to dealers on wholesale receivables for this period.

The volume of wholesale receivables acquired shown in the preceding table includes receivables collected and settled with General Motors during the 15-day period. Excluding such receivables, the volume of wholesale receivables acquired was as follows: 1961—\$333,280,625; 1962—\$292,447,597; 1963—\$327,466,276; and 1964—\$395,609,495.

Of the volume of wholesale business shown in the preceding table approximately 99% was automotive during the year 1964, the same as in 1963. Automotive wholesale receivables acquired were outstanding an average of 48 days in 1964 and 36 days in 1963.

At December 31, 1964 the Company had 187,421 retail accounts outstanding. Retail instalment buyers are widely distributed geographically and their occupations are greatly diversified. Instalment payment obligations acquired by the Company at retail in 1964 averaged \$2,835 on new cars and \$1,296 on used cars. The security of retail transactions is currently measured by relating the unpaid balance to the dealer's cost in the case of new cars, and to wholesale value shown in a published guide in the case of used cars. The average per cent of dealer cost financed, in the case of new cars, was 80.5% in 1964 and 80.0% in 1963. The average per cent of wholesale value financed, in the case of used cars, was 94.4% in 1964 and 92.7% in 1963. The average term in months, based on the number of contracts purchased, was 29.0 months on new cars and 20.9 months on used cars in 1964 compared with 28.4 months and 19.8 months, respectively, in 1963.

The volume of retail business in 1964 and 1963 was divided as follows:

	% of Total Retail Volume	
	1964	1963
Automotive:		
New	64.0%	64.5%
Used.....	27.9	27.9
Other Products.....	3.7	2.9
Renewals (all products).....	4.4	4.7
Total Retail Volume.....	100.0%	100.0%

In the case of retail receivables in which the face amount includes the finance charge, earnings are accounted for over the terms of the receivables. With respect to wholesale receivables in which the face amount represents the principal, the interest is taken into income as accrued.

Over-all losses relating to retail receivables, expressed as a percentage of retail receivables liquidated, amounted to .09 of 1% in 1960, .09 of 1% in 1961, .11 of 1% in 1962, .17 of 1% in 1963 and .24 of 1% in 1964. Commencing in 1962, the foregoing include losses incurred on retail contracts purchased without recourse, which are charged to a reserve. Losses relating to wholesale receivables have been negligible.

CAPITALIZATION

Outstanding as of February 28, 1965

NOTES, LOANS, AND DEBENTURES:

Payable Within One Year:

Short term notes placed in open market.....	\$132,605,000
Loans and overdrafts with banks.....	10,793,551
Other notes maturing within one year.....	2,550,000
Total payable within one year.....	<u>\$145,948,551</u>

Payable After One Year:

Notes with maturities up to three years.....	\$ 7,370,000
3¾% notes, due May 1, 1966(a).....	6,000,000
4¾% debentures, due January 15, 1968(a).....	25,000,000
4¾% debentures, due December 15, 1969.....	25,000,000
6½% debentures, due March 15, 1975.....	15,000,000
5¼% debentures, due December 1, 1976.....	15,500,000
6¼% debentures, due November 15, 1977.....	15,000,000
6½% debentures, due March 15, 1980.....	15,000,000
Total payable after one year.....	<u>\$123,870,000</u>

CAPITAL STOCK, \$100 PAR VALUE.....	<u>\$ 15,000,000</u>
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- (a) These notes and debentures were issued by and as the primary obligations of General Motors Acceptance Corporation, and payment thereof was assumed by the Company as part of the consideration for the acquisition by the Company of the Canadian business of General Motors Acceptance Corporation on October 31, 1953.

BORROWING OPERATIONS

The business of the Company is financed by capital funds and by borrowings under bank lines of credit, short term notes and long term notes and debentures.

As of February 28, 1965 lines of credit aggregating \$48,800,000 were maintained with 7 banks in Canada.

GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED

STATEMENT OF INCOME AND EARNED SURPLUS

	Year Ended December 31									
	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955
	(In Thousands of Dollars)									
OPERATING INCOME BEFORE PROVISION FOR LOSSES:										
Retail.....	\$24,175	\$21,432	\$19,283	\$20,270	\$21,753	\$20,473	\$21,685	\$21,665	\$19,033	\$16,038
Wholesale.....	4,505	3,390	3,057	3,660	5,023	4,345	3,474	4,548	2,630	2,327
Total.....	28,680	24,822	22,340	23,930	26,776	24,818	25,159	26,213	21,663	18,365
LESS PROVISION FOR LOSSES:										
On non-recourse receivables.....	347	218	22	—	—	—	—	—	—	—
In special categories.....	—	—	—	—	—	(36)	73	102	97	79
Operating Income.....	28,333	24,604	22,318	23,930	26,776	24,854	25,086	26,111	21,566	18,286
OTHER INCOME—INTEREST ON SHORT TERM INVESTMENTS.....	107	102	127	97	780	407	—	—	—	—
GROSS INCOME.....	28,440	24,706	22,445	24,027	27,556	25,261	25,086	26,111	21,566	18,286
LESS:										
Operating expenses.....	8,504	7,569	7,205	7,191	7,327	7,059	7,318	7,556	6,098	5,876
Losses charged directly to income.....	375	360	227	204	212	169	212	226	198	265
Interest and discount.....	13,993	11,490	10,215	11,096	13,766	12,167	11,378	12,449	7,731	6,313
Total.....	22,872	19,419	17,647	18,491	21,305	19,395	18,908	20,231	14,027	12,454
OPERATING PROFIT BEFORE GENERAL LOSS RESERVE ADJUSTMENT.....	5,568	5,287	4,798	5,536	6,251	5,866	6,178	5,880	7,539	5,832
Add (deduct) general loss reserve adjustment—retail receivables.....	—	—	—	—	—	—	144	(212)	(212)	(598)
OPERATING PROFIT BEFORE TAXES.....	5,568	5,287	4,798	5,536	6,251	5,866	6,322	5,668	7,327	5,234
Provision for income taxes.....	2,898	3,142	2,458	2,882	3,131	2,966	2,860	2,759	3,673	2,840
NET INCOME.....	2,670	2,145	2,340	2,654	3,120	2,900	3,462	2,909	3,654	2,394
EARNED SURPLUS AT BEGINNING OF THE YEAR.....	3,076	2,056	2,041	2,087	1,967	1,767	1,455	1,096	842	448
Total.....	5,746	4,201	4,381	4,741	5,087	4,667	4,917	4,005	4,496	2,842
Cash dividends.....	3,525	1,125	2,325	2,700	3,000	2,700	3,150	2,550	3,400	2,000
EARNED SURPLUS AT END OF THE YEAR.....	\$ 2,221	\$ 3,076	\$ 2,056	\$ 2,041	\$ 2,087	\$ 1,967	\$ 1,767	\$ 1,455	\$ 1,096	\$ 842

See the Notes to Financial Statements.

GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED
BALANCE SHEET, DECEMBER 31, 1964

ASSETS

CURRENT ASSETS:

Cash		\$ 269,771
Canadian government securities—short term—at cost.....		3,494,200
Notes and bills receivable (including instalments of \$108,470,726 maturing after one year):		
Retail	\$264,291,342	
Wholesale	59,609,932	
Total notes and bills receivable.....	<u>323,901,274</u>	
Less: Unearned income	19,924,536	
Reserve for losses on non-recourse receivables.....	334,888	
General loss reserve.....	2,000,000	
Total deductions.....	<u>22,259,424</u>	
Notes and bills receivable, less deductions.....		301,641,850
Accounts receivable.....		473,110
TOTAL CURRENT ASSETS.....		<u>305,878,931</u>

OTHER ASSETS:

Unamortized debt discount and expense.....	2,822,502	
Company automobiles and office equipment—at cost, less depreciation of \$875,660....	457,094	
Miscellaneous	227,524	
TOTAL OTHER ASSETS.....		<u>3,507,120</u>

TOTAL ASSETS.....		<u>\$309,386,051</u>
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LIABILITIES, RESERVE, AND CAPITAL

CURRENT LIABILITIES:

Notes and loans payable within one year:		
Short term notes placed in open market.....		\$121,885,000
Loans and overdrafts with banks.....		8,270,163
Other notes maturing within one year.....		2,550,000
Accounts payable:		
General Motors Acceptance Corporation—parent company.....	102,024	
General Motors Products of Canada, Limited and other affiliated companies.....	28,543,946	
Dealers.....	6,400,889	
Other	842,820	
Income and other taxes.....	1,244,901	
Accrued interest.....	1,419,204	
TOTAL CURRENT LIABILITIES.....		<u>171,258,947</u>

RESERVE FOR EMPLOYEES BENEFIT PLANS.....		<u>70,725</u>
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NOTES AND DEBENTURES PAYABLE AFTER ONE YEAR:

Notes with maturities up to three years.....	4,335,000	
3 $\frac{3}{8}$ % notes, due May 1, 1966.....	6,000,000	
4 $\frac{3}{4}$ % debentures, due January 15, 1968.....	25,000,000	
4 $\frac{3}{4}$ % debentures, due December 15, 1969.....	25,000,000	
6 $\frac{1}{2}$ % debentures, due March 15, 1975.....	15,000,000	
5 $\frac{1}{4}$ % debentures, due December 1, 1976.....	15,500,000	
6 $\frac{1}{4}$ % debentures, due November 15, 1977.....	15,000,000	
6 $\frac{1}{2}$ % debentures, due March 15, 1980.....	15,000,000	
TOTAL NOTES AND DEBENTURES PAYABLE AFTER ONE YEAR.....		<u>120,835,000</u>

CAPITAL STOCK AND EARNED SURPLUS:

Capital stock, \$100 par value (authorized, issued and outstanding, 150,000 shares) ..	15,000,000	
Earned surplus.....	2,221,379	
TOTAL CAPITAL STOCK AND EARNED SURPLUS.....		<u>17,221,379</u>

TOTAL LIABILITIES, RESERVE, AND CAPITAL.....		<u>\$309,386,051</u>
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See the Notes to Financial Statements.

Approved on behalf of the Board:

(Signed) W. E. MATTHEWS, Director

(Signed) A. C. SHEPHERD, Director

GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED

NOTES TO FINANCIAL STATEMENTS

(1) Effective January 1, 1959, the general loss reserve was established at \$2,000,000 and has remained unchanged. Prior thereto, this reserve had been maintained at $\frac{3}{4}$ of 1% of retail receivables by adjustments to income. In addition, the reserve for losses in special categories was discontinued effective January 1, 1959. Had the present practice been in effect in 1958 and prior years, the net income for those years would have been increased (decreased) as follows: 1958—(\$71,000); 1957—\$314,000; 1956—\$309,000; and 1955—\$677,000.

Commencing in 1962, certain retail contracts have been purchased without recourse and a reserve has been provided for losses resulting therefrom.

Losses on all notes and bills receivable charged to income or reserves amounted to \$588,203 in 1964; \$398,592 in 1963; \$227,655 in 1962; \$204,079 in 1961; \$212,030 in 1960; \$168,614 in 1959; \$218,414 in 1958; \$238,712 in 1957; \$201,871 in 1956; and \$268,634 in 1955.

(2) Net income (after taxes) was favorably affected by approximately \$457,000 in 1956 resulting from a change in that year in the basis of accounting for certain items.

(3) The amount due General Motors Products of Canada, Limited and other affiliated companies at December 31, 1964 of \$28,543,946 relates principally to current wholesale financing of sales of General Motors products consisting of in-transit items and amounts on which settlement to General Motors for wholesale automobile financing is deferred for up to 15 days beyond transit time.

AUDITORS' REPORT

To the Directors,

GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED:

We have examined the balance sheet of General Motors Acceptance Corporation of Canada, Limited as of December 31, 1964 and the related statement of income and earned surplus for the ten years then ended and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and related statement of income and earned surplus present fairly the financial position of the company at December 31, 1964 and the results of its operations for the ten years then ended, in conformity with generally accepted accounting principles. In our opinion, these principles were applied on a consistent basis other than for the changes, which we approve, stated in Notes 1 and 2 to Financial Statements.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS
Chartered Accountants

Toronto, Ontario
February 11, 1965.

The financial statements on pages 8-10 pertain to the Guarantor, General Motors Acceptance Corporation.

**GENERAL MOTORS ACCEPTANCE CORPORATION
AND CONSOLIDATED SUBSIDIARIES**

STATEMENT OF CONSOLIDATED INCOME AND EARNED SURPLUS

	Year Ended December 31									
	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955
	(In Thousands of U. S. Dollars)									
OPERATING INCOME BEFORE PROVISION FOR LOSSES ON NON-RECOURSE AND FOREIGN RECEIVABLES:										
Retail.....	\$385,705	\$354,574	\$335,315	\$341,637	\$349,632	\$304,313	\$295,180	\$299,249	\$284,911	\$233,148
Wholesale.....	49,751	39,693	37,852	47,056	58,860	44,317	36,896	41,807	32,233	25,508
Total.....	435,456	394,267	373,167	388,693	408,492	348,630	332,076	341,056	317,144	258,656
LESS PROVISION FOR LOSSES ON NON- RECOURSE AND FOREIGN RECEIVABLES....	14,832	13,004	11,248	8,052	10,015	8,042	5,297	7,931	6,888	5,225
Operating Income.....	420,624	381,263	361,919	380,641	398,477	340,588	326,779	333,125	310,256	253,431
OTHER INCOME.....	2,092	866	1,236	2,100	1,530	1,430	1,634	1,040	882	401
GROSS INCOME.....	422,716	382,129	363,155	382,741	400,007	342,018	328,413	334,165	311,138	253,832
LESS:										
Operating expenses.....	127,435	119,845	117,896	118,437	111,910	100,312	98,224	94,854	88,581	76,270
Losses charged directly to income....	5,764	4,495	4,201	7,824	5,691	3,559	4,729	3,498	3,288	2,173
Interest and discount.....	204,927	170,034	154,556	163,780	178,541	143,679	128,927	137,732	119,333	86,526
Total.....	338,126	294,374	276,653	290,041	296,142	247,550	231,880	236,084	211,202	164,969
OPERATING PROFIT BEFORE GENERAL LOSS RESERVE ADJUSTMENT.....	84,590	87,755	86,502	92,700	103,865	94,468	96,533	98,081	99,936	88,863
Add (deduct) general loss reserve adjustment—U. S. and Canadian retail receivables.....	—	—	—	—	—	—	3,117	(1,227)	(1,753)	(7,094)
OPERATING PROFIT BEFORE TAXES.....	84,590	87,755	86,502	92,700	103,865	94,468	99,650	96,854	98,183	81,769
Provision for United States and foreign income taxes.....	41,958	49,246	48,078	48,274	55,850	51,561	49,756	53,658	54,373	49,367
NET OPERATING INCOME.....	42,632	38,509	38,424	44,426	48,015	42,907	49,894	43,196	43,810	32,402
Earnings (loss) of Motors Insur- ance Corporation.....	(3,554)	1,562	2,497	8,120	4,511	2,520	3,429	2,841	1,895	2,875
NET INCOME.....	39,078	40,071	40,921	52,546	52,526	45,427	53,323	46,037	45,705	35,277
EARNED SURPLUS AT BEGINNING OF THE YEAR.....	233,599	218,528	202,607	179,561	163,582	145,155	123,832	99,795	81,090	105,063
Total.....	272,677	258,599	243,528	232,107	216,108	190,582	177,155	145,832	126,795	140,340
Cash Dividends:										
Preferred stock, 4%.....	—	—	—	2,000	2,000	2,000	2,000	2,000	2,000	500
Capital stock.....	25,000	25,000	25,000	27,500	30,000	25,000	30,000	20,000	25,000	20,000
Distribution, as a dividend, of \$100 par value shares of common stock.....	—	—	—	—	4,547	—	—	—	—	38,750
Total.....	25,000	25,000	25,000	29,500	36,547	27,000	32,000	22,000	27,000	59,250
EARNED SURPLUS AT END OF THE YEAR....	\$247,677	\$233,599	\$218,528	\$202,607	\$179,561	\$163,582	\$145,155	\$123,832	\$ 99,795	\$ 81,090

See the Notes to Financial Statements.

Financial Statements of the Guarantor (Continued).

**GENERAL MOTORS ACCEPTANCE CORPORATION
AND CONSOLIDATED SUBSIDIARIES**

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1964
(in U. S. Dollars)

ASSETS

CURRENT ASSETS:

Cash.....	\$ 152,419,813
United States government agency and Canadian government securities—short term—at cost.....	25,315,971
Notes and bills receivable (including instalments of \$2,097,835,127 maturing after one year).....	\$5,912,993,367
Less: Unearned income.....	342,764,119
Reserves for losses on non-recourse and foreign receivables.....	35,116,480
General loss reserve.....	25,000,000
Total deductions.....	402,880,599
Notes and bills receivable, less deductions.....	5,510,112,768
Accounts receivable.....	11,552,647
TOTAL CURRENT ASSETS.....	5,699,401,199
INVESTMENT IN MOTORS INSURANCE CORPORATION.....	32,321,673
UNAMORTIZED DEBT DISCOUNT AND EXPENSE.....	31,186,803
OTHER ASSETS.....	8,069,395
TOTAL ASSETS	\$5,770,979,070

LIABILITIES, RESERVES, AND CAPITAL

CURRENT LIABILITIES:

Notes, loans, and debentures payable within one year.....	\$1,578,995,343
Accounts payable:	
General Motors Corporation and affiliated companies.....	646,941,703
Dealers.....	99,393,303
Other.....	12,992,765
United States income and other taxes.....	35,644,166
Accrued interest.....	35,963,461
TOTAL CURRENT LIABILITIES.....	2,409,930,741
RESERVE FOR EMPLOYEES BENEFIT PLANS AND OTHER RESERVES.....	4,017,264

NOTES, LOANS, AND DEBENTURES PAYABLE AFTER ONE YEAR:

UNITED STATES:

3 % debentures, due July 15, 1969.....	75,000,000
3½% debentures, due March 15, 1972.....	200,000,000
4 % notes, payable June 1, 1970 to 1973.....	200,000,000
3¼% notes, due October 1, 1974.....	50,000,000
3½% debentures, due September 1, 1975.....	200,000,000
3¾% notes, payable August 1, 1975 to 1976.....	150,000,000
5 % debentures, due August 15, 1977.....	100,000,000
4 % notes, due September 1, 1978.....	50,000,000
4¾% notes, due September 1, 1978.....	100,000,000
4 % debentures, due March 1, 1979.....	150,000,000
3¼% notes, payable April 1, 1977 to 1980.....	100,000,000
5 % debentures, due September 1, 1980.....	125,000,000
5 % debentures, due March 15, 1981.....	100,000,000
4½% debentures, due September 1, 1982.....	150,000,000
4½% debentures, due March 1, 1983.....	150,000,000
4½% debentures, due November 1, 1985.....	150,000,000
4½% debentures, due June 15, 1986.....	150,000,000

CANADA.....

120,835,000	
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OTHER COUNTRIES

53,519,058

TOTAL NOTES, LOANS, AND DEBENTURES PAYABLE AFTER ONE YEAR.....

2,374,354,058

SUBORDINATED INDEBTEDNESS (United States):

3½% and 4% subordinated notes, due June 15, 1975.....	45,000,000
5½% subordinated notes, due June 1, 1981.....	37,500,000
5½% subordinated notes, due November 1, 1984.....	175,000,000
4¾% subordinated notes, due December 1, 1989.....	42,000,000
3¾% and 4% junior subordinated notes, due April 1, 1967.....	50,000,000
3¾%, 4% and 4½% junior subordinated notes, due April 1, 1973.....	155,000,000
5¾% junior subordinated notes, due June 1, 1981.....	37,500,000
5½% junior subordinated notes, due December 1, 1989.....	28,000,000

TOTAL SUBORDINATED INDEBTEDNESS.....

570,000,000

CAPITAL STOCK AND SURPLUS:

Capital stock, \$100 par value (authorized and outstanding, 1,650,000 shares).....	165,000,000
Earned surplus.....	247,677,007

TOTAL CAPITAL STOCK AND SURPLUS.....

412,677,007

TOTAL LIABILITIES, RESERVES, AND CAPITAL.....

\$5,770,979,070

See the Notes to Financial Statements.

Approved on behalf of the Board:

(Signed) W. B. ADSIT, Director

(Signed) A. S. BRUSH, Director

**GENERAL MOTORS ACCEPTANCE CORPORATION
AND CONSOLIDATED SUBSIDIARIES**

NOTES TO FINANCIAL STATEMENTS (in U. S. Dollars)

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include all subsidiaries except Motors Insurance Corporation and one minor non-operating company (General Exchange Corporation). All subsidiaries are wholly owned. It is the practice of the Corporation to adjust its investments in consolidated and non-consolidated subsidiaries to the equity in net assets as shown by their books. Consolidated earned surplus includes \$17,373,750 at December 31, 1964 representing undistributed profits since acquisition of subsidiaries not consolidated, practically all of which are applicable to Motors Insurance Corporation.

RESERVES FOR LOSSES ON NOTES AND BILLS RECEIVABLE: Effective January 1, 1959, the general loss reserve was established at \$25,000,000 and has remained unchanged. Prior thereto, this reserve had been maintained at $\frac{3}{4}$ of 1% of United States and Canadian retail receivables by adjustments to income. Had the present practice been in effect in 1958 and prior years the net income for those years would have been increased (decreased) as follows: 1958—(\$3,117,000); 1957—\$1,227,000; 1956—\$1,753,000; and 1955—\$7,094,000. In addition, other loss reserves are maintained against retail contracts purchased without recourse in the United States and Canada and against foreign receivables. The loss reserves maintained against receivables in other countries vary by branch and subsidiary and are generally accrued on the basis of a percentage of receivables acquired. Losses sustained are charged either directly to income or, in the case of certain losses on non-recourse retail receivables and losses on foreign receivables, to related reserves.

Losses on all notes and bills receivable charged to income or reserves amounted to \$16,939,846 in 1964; \$12,325,875 in 1963; \$9,707,101 in 1962; \$18,457,344 in 1961; \$14,984,785 in 1960; \$7,027,396 in 1959; \$10,055,873 in 1958; \$6,719,893 in 1957; \$6,191,170 in 1956; and \$3,464,790 in 1955.

PLEGDED ASSETS: Notes and bills receivable of \$8,220,280 in Australia were pledged as collateral against payables of \$6,170,684 at December 31, 1964.

FOREIGN OPERATIONS: Canadian accounts are stated at the Canadian dollar amounts. A reserve has been provided to value net Canadian dollar assets at the prevailing exchange rate. Other foreign currency assets, liabilities, and reserves are translated into United States dollar equivalents at prevailing exchange rates; unrealized gains arising therefrom are credited to reserves, and unrealized losses are charged against net income to the extent that they exceed applicable reserves.

Total assets outside the United States and Canada amounted to \$220,314,342 at December 31, 1964 of which \$7,763,924 were represented by U. S. dollar receivables. The related net assets on that date were \$5,636,235 after deducting foreign borrowings of \$203,004,281 and other foreign liabilities and reserves of \$11,673,826. Earnings from operations outside the United States and Canada were 4.08% of consolidated net income for the ten years ended December 31, 1964.

ADDITIONAL DEBT: On January 7, 1965, an additional \$3,000,000 of 4 $\frac{7}{8}$ % subordinated notes and \$2,000,000 of 5 $\frac{1}{8}$ % junior subordinated notes, both due December 1, 1989, were issued, representing the balance of a total issue of \$75,000,000 of such notes.

AUDITORS' REPORT

GENERAL MOTORS ACCEPTANCE CORPORATION:

We have examined the consolidated balance sheet of General Motors Acceptance Corporation and consolidated subsidiaries as of December 31, 1964, and the related statement of consolidated income and earned surplus for the ten years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and related statement of consolidated income and earned surplus present fairly the financial position of the companies at December 31, 1964 and the results of their operations for the ten years then ended, in conformity with generally accepted accounting principles. In our opinion, these principles were applied on a consistent basis other than for the change effective January 1, 1959, which we approve, in the method of maintaining the general loss reserve explained in the Notes to Financial Statements.

(Signed) HASKINS & SELLS

Certified Public Accountants

New York, N. Y.,
February 11, 1965

STATUTORY INFORMATION

1. The full name of the Company is General Motors Acceptance Corporation of Canada, Limited (herein referred to as the "Company") and the address of the head office of the Company is 2200 Yonge Street, Toronto, Ontario.
2. The Company was incorporated by letters patent issued under the laws of Canada, dated October 15, 1953. Supplementary letters of patent were issued, dated November 26, 1956, to increase the capital of the Company.
3. The general nature of the business actually transacted or to be transacted by the Company is to finance the distribution in Canada of new products manufactured by General Motors to dealers for resale, and to finance such dealers' retail instalment sales of new products as well as used units of any make. Such new products include Buick, Cadillac, Chevrolet, Oldsmobile and Pontiac cars, Chevrolet trucks, and accessories; Frigidaire electrical refrigerator units, other household appliances and air conditioning equipment; Diesel engines for stationary and marine application; GMC trucks and coaches; Euclid off-the-highway earth moving equipment; and Vauxhall cars and Bedford trucks manufactured in England.

4. The names in full, present occupations, and home addresses in full of the officers and directors of the Company are as follows:

Officers

Wilfrid Ernest Matthews.....	President	82 Riverside Blvd., Thornhill, Ontario
Alan Charles Shepherd.....	Vice President	2383 Robin Drive, R. R. #1, Erindale, Ontario
Leonard Harold Stacey.....	Vice President	60 Westland Drive, Montreal West, Quebec
Harold Wallace Patterson.....	Treasurer and Comptroller	440 Eglinton Avenue East, Toronto 12, Ontario
Roy Alexander Roberts.....	Secretary	1502 Killkee Gate, Cooksville, Ontario

Directors

James Wright Dean.....	Manager, Toronto Branch	1 Rosedale Road, Toronto 5, Ontario
Wilfrid Ernest Matthews.....	President	82 Riverside Blvd., Thornhill, Ontario
Robert Samuel McLaughlin....	Chairman of the Board, General Motors of Canada, Limited Vice President and Director, General Motors Corporation	"Parkwood", Oshawa, Ontario
Alan Charles Shepherd.....	Vice President	2383 Robin Drive, R. R. #1, Erindale, Ontario
Albert Peck Slocum.....	Vice President, General Motors Acceptance Corporation	"River House", 72 Pondfield Road West, Bronxville, N. Y.
Leonard Harold Stacey.....	Vice President	60 Westland Drive, Montreal West, Quebec
Thomas William Towell.....	President, General Motors Acceptance Corporation	14 South Ridge Road, Larchmont, N. Y.
Edwin Hodges Walker.....	President and General Manager, General Motors of Canada, Limited	Apartment A-506 50 Adelaide Avenue East, Oshawa, Ontario

5. The Company's auditors are Messrs. Deloitte, Plender, Haskins & Sells, Chartered Accountants, 55 Yonge Street, Toronto, Ontario.

6. The Short Term Notes offered by this prospectus in maturities ranging up to 365 days will be issued in bearer form only. The register and transfer books of Short Term Notes offered in maturities in excess of 365 days, which will be issued in registered form only, are kept at the head office of the Company, 2200 Yonge Street, Toronto, Ontario. The register and/or transfer agency for transfer of the Company's 4¾% Debentures due December 15, 1969 is maintained at the offices of Montreal Trust Company, Toronto, Ontario and Montreal, P. Q. The register and/or transfer agency for transfer of the Company's 5¼% Debentures due December 1, 1976 is maintained at the offices of Canada Permanent Trust Company, Toronto, Ontario and Montreal, P. Q. The register and/or transfer agency for transfer of the Company's 6¼% Debentures due November 15, 1977 is maintained at the offices of National Trust Company, Limited, Toronto, Ontario and Montreal, P. Q. The register and/or transfer agency for transfer of the Company's 6½% Debentures due March 15, 1975 and March 15, 1980 is maintained at the offices of The Royal Trust Company, Toronto, Ontario and Montreal, P. Q. The register and transfer books for the common shares of the Company are kept at the head office of the Company, 2200 Yonge Street, Toronto, Ontario.

7. The authorized share capital of the Company consists of 150,000 common shares of the par value of \$100 each, all of which have been issued and are outstanding at the date hereof as fully paid and non-assessable. All the shares of the capital stock of the Company rank equally as to dividends, carry one vote per share, and have equal rights on liquidation or distribution of capital assets.

8. No shares are offered by this prospectus.

9. The Short Term Notes offered hereby rank *pari passu* with all other outstanding notes, loans and debentures, the details of which are set forth in the statement of the Company's capitalization as of February 28, 1965 which appears on page 3 of this prospectus, to which reference is hereby expressly made. No further bonds, debentures or other securities have been issued or are now proposed to be issued by the Company, except Short Term Notes. Short Term Notes, including those offered hereby, will be issued by the Company in such aggregate principal amount as it shall from time to time determine, and when issued rank *pari passu* with all other outstanding notes, loans and debentures.

10. Short Term Notes will be issued on an unsecured basis in such aggregate principal amount as the Company shall from time to time determine, as and when required. No other substantial indebtedness is now intended to be created or assumed, which is not shown in the balance sheet as of December 31, 1964.

11. No securities of the Company are covered by option agreements outstanding or proposed to be given, but reference is made to paragraph 18 below.

12. The correct descriptive title of the securities offered by this prospectus is as stated on the face of this prospectus to which reference is hereby made. It is not possible to state the number of Short Term Notes offered by this prospectus, nor is it possible to state the issue price to the public of such Notes, as they will be issued at such times, in such amounts and at such rates of discount or interest as the Company determines. No amount is payable on application for Short Term Notes, the purchase price being payable on delivery. During the two years ended February 28, 1965, Short Term Notes in an aggregate principal amount of \$737,040,000 were sold, and said amount, less applicable discount, was paid thereon in cash to the Company; it is not possible to determine the aggregate principal amount of Short Term Notes which were offered but not sold. With respect to the commission payable on account of the sale of Short Term Notes during the aforesaid two-year period, reference is made to paragraph 19 below.

13. The estimated net proceeds to be derived from the issue of the Short Term Notes offered by this prospectus will be the issue price thereof less any commissions paid in connection therewith as referred to in paragraph 19 below. Such net proceeds cannot be estimated with any accuracy, since the aggregate principal amount of Short Term Notes to be issued is not known.

14. The net proceeds to be received by the Company from the sale of the Short Term Notes offered hereby will be used for general corporate purposes. Demands upon the Company's financing facilities may from time to time necessitate additional borrowings. In the event that any funds are required by the Company such funds will be obtained through such means of financing as may be appropriate at the time. No provision has been made for holding in trust the proceeds of the issue of the Short Term Notes offered hereby.

15. No shares are being offered by this prospectus.

16. There is no underwriting agreement or underwriter in respect of the Short Term Notes offered hereby, but reference is made to paragraph 19 below.

17. The by-laws of the Company contain the following provision with respect to the remuneration of the directors:

"The Directors shall not receive any compensation for their services as such, but this shall not be construed to preclude a Director from serving in any other capacity and receiving compensation therefor, and from being reimbursed for expenses incurred in the performance of his duties as a Director."

18. The aggregate remuneration paid to the directors of the Company as such during the last financial year of the Company ended December 31, 1964 was nil and it is estimated that their aggregate remuneration during the current financial year as directors will be nil. Aggregate remuneration paid by the Company during its last financial year and the estimated aggregate remuneration to be paid or payable during the current financial year to officers of the Company who individually have received or may be entitled to receive remuneration in excess of \$10,000 consists of salaries and bonus as set forth below.

Salaries of \$67,775 were paid for services in all capacities during the last financial year ended December 31, 1964 to such officers. It is estimated that salaries which will be payable to such officers during the current financial year will be \$68,500.

Employees of subsidiaries of General Motors Corporation in which General Motors Corporation owns directly or indirectly substantially all of the common stock, including employees of the Company, are eligible to

participate in the Bonus Plan of General Motors Corporation. The Bonus Plan provides that General Motors Corporation shall maintain a reserve to which shall be credited for each year an amount which the independent public accountants of General Motors Corporation determine and report to be 12% of net earnings (as defined in the Plan) after deducting 6% on net capital (as defined in the Plan), but not in excess of the amount paid out as dividends on General Motors Corporation common stock during that year, except that for any year the Bonus and Salary Committee of General Motors Corporation may in its discretion direct that a lesser amount be credited. The Plan provides that an employee shall be eligible for bonus consideration if he is receiving a salary at or above a minimum determined from year to year by the Bonus and Salary Committee of General Motors Corporation. For the year 1964 the Committee determined that the minimum salary rate for bonus eligibility for employees in Canada should be \$775 a month. Under the terms of the Plan, bonus awards are made in terms of U. S. funds. Awards of \$1,000 (U. S.) or less are payable at the time of award. Each award of more than \$1,000 (U. S.) is payable in annual instalments of 20% or \$1,000 (U. S.), whichever is greater, the first such instalment being paid at the time of award, and the remaining instalments in January of each succeeding year (until the full amount of the award is paid) if earned out in accordance with the terms of the Plan. Bonus awards for any year may be paid in cash or in common stock of General Motors Corporation, or both, as the Bonus and Salary Committee may determine. The Bonus Plan provides that a beneficiary whose employment terminates shall, under certain conditions, lose any right to earn out his unearned bonus.

Under current practice, a portion of the total amount to be awarded as bonus each year under the General Motors Bonus Plan is allocated by the Bonus and Salary Committee of General Motors Corporation for award by the Company to its employees. No bonus awards are granted to any director of the Company as such. Officers of the Company who during the last financial year individually received aggregate remuneration, consisting as aforesaid of salaries and bonus, of more than \$10,000 per annum were granted bonus awards related to 1964, subject to the terms of the General Motors Bonus Plan, amounting in the aggregate to \$44,144 (U. S.) (equivalent to \$47,400 in Canadian funds at the exchange rate of \$1.00 Canadian=\$.9313 U. S.) comprised of 333 shares of General Motors Corporation common stock, which was valued for award purposes at \$85.65 (U. S.) a share, and cash of \$15,623 (U. S.). Total bonus awards related to 1964 granted to 42 employees, including officers, of the Company aggregated \$125,726 (U. S.) (equivalent to \$135,000 in Canadian funds at the exchange rate of \$1.00 Canadian=\$.9313 U. S.) comprised of 1,018 shares of General Motors Corporation common stock and \$38,534 (U. S.) in cash. The first instalments of these awards were delivered on March 29, 1965. These amounts of bonus exclude amounts received by employees, including officers, during 1964 equal to the value of the dividends which would have been paid on undelivered bonus in stock under the General Motors Bonus Plan had such stock been delivered.

The cash portions of awards are paid directly by the Company in Canadian funds converted from U. S. dollars at the time of delivery of each instalment. General Motors Corporation acts as paying agent for the stock portions of awards with reimbursement therefor being made by the Company at the time of delivery. The amount of such reimbursement for the stock portions of such awards is based on the market value at the time the instalments thereof are delivered. Undelivered bonus in stock will be retained by General Motors Corporation until it is earned out and delivered, the stock to be held in the treasury with no right to vote. On dividend payment dates after March 31 of the year in which the stock is awarded, the Company pays each bonus beneficiary an amount equal to the value of the dividends that would have been payable on such stock had it been delivered.

It is not now possible to state what amount, if any, will be allocated by the Bonus and Salary Committee of General Motors Corporation for award by the Company as bonus related to 1965 to its employees, since this determination will be made after the end of the year.

General Motors Corporation has adopted a Stock Option Plan which provides that options to purchase shares of common stock of General Motors Corporation may be granted by General Motors Corporation in each of the years 1958 to 1967, inclusive, to executives employed by General Motors Corporation or by any subsidiary in which General Motors Corporation owns directly or indirectly substantially all of the common stock. The executives to whom options are to be granted are selected by the Bonus and Salary Committee of General Motors Corporation. No such options have been granted to officers or other executives of the Company. Under the terms of the Stock Option Plan no further options will be granted until the determination of bonus awards related to the year 1965.

The Company has adopted the General Motors Savings-Stock Purchase Program for Salaried Employees of General Motors Subsidiaries Operating in Canada. Under this Program, which became effective April 1, 1956, each salaried employee in Canada, including officers, who is not eligible for the essentially similar

General Motors Savings-Stock Purchase Program for Salaried Employees in the United States and who has one or more years of service, is eligible to pay into the Program up to 10% of his base salary and cost-of-living allowance, and the Company contributes an amount equal to 50% of the employee's savings. Both the employee's savings and the Company contributions are turned over to a trust company which invests one-half of the employee's savings and the entire Company contributions in General Motors Corporation common stock and the remaining half of the employee's savings in direct obligations of the Canadian Government. Effective January 1, 1960, all or any part of the one-half of the employee's savings eligible for investment in direct obligations of the Canadian Government may, at the employee's option, be placed in a Registered Retirement Savings Plan. For 1964, the Company contributed \$3,384 with respect to officers of the Company who during 1964 individually received aggregate remuneration, consisting as aforesaid of salaries and bonus, of more than \$10,000 per annum.

19. The Company has an agreement with Wood, Gundy & Company Limited and Harris & Partners Limited under which they are each authorized, as agents of the Company for this purpose only, to offer to sell and to solicit offers to purchase, in Canada only, directly and through other Canadian investment dealers, the Short Term Notes of the Company. The rates of commission payable in connection with sales by such agents of Short Term Notes, computed on the aggregate face amount thereof, are $\frac{1}{4}$ of 1% per annum, in the case of Notes maturing in 365 days or less, and $\frac{1}{4}$ of 1% per annum for the initial 365 days plus $\frac{1}{8}$ of 1% per annum for the period over 365 days to the maturity date, in the case of Notes maturing in more than 365 days. The Company considers that such agreement was entered into in the ordinary course of business carried on by the Company.

The Short Term Notes are also offered directly by the Company in the Provinces of Ontario and Quebec but no commissions will be paid on any such direct sales.

In connection with certain sales of Short Term Notes, the aforesaid agents have been paid commissions by the Company at the rates set forth above, computed on the aggregate face amount thereof and amounting to \$617,668, during the two years ended February 28, 1965.

20. The Company has been carrying on business for more than one year.

21 and 22. No property has been purchased or acquired by the Company, or is proposed to be purchased or acquired, the purchase price of which is to be defrayed in whole or in part out of the proceeds of the issue or has been paid within the last two preceding years or is to be paid in whole or in part in securities of the Company, or the purchase or acquisition of which has not been completed at the date of this prospectus.

23. No securities have been issued or agreed to be issued by the Company within two years preceding the date hereof as fully or partly paid up otherwise than in cash.

24. The Short Term Notes offered by this prospectus are unsecured.

25. No services have been rendered or are to be rendered to the Company which are to be paid for out of the proceeds of the issue of the Short Term Notes offered by this prospectus exclusive of commissions referred to in paragraph 19 above. It is anticipated that any other expenses in connection therewith will be paid out of the general funds of the Company. No services have been, within two years preceding the date hereof, or are now proposed to be paid for by securities of the Company.

26. Nothing has been paid within the two years preceding the date hereof or is intended to be paid to any promoter.

27. The Company has not entered into any material contracts within the two years preceding the date hereof other than contracts in the ordinary course of business carried on by the Company.

28. No director of the Company had any interest in any property acquired by the Company within the two years preceding the date hereof nor does the Company propose to acquire at the present time any property in which any director is interested.

29. The Company has been carrying on business for more than three years.

30. No shares are offered by this prospectus.

31. No Short Term Notes of the Company are held in escrow.

32. No shares are offered by this prospectus.

33. There are no other material facts not disclosed in the foregoing.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Part VII of the Securities Act, 1962 (British Columbia), by Part IX of The Securities Act, 1955 (Alberta), by Section 39 of The Securities Act, 1954 (Saskatchewan), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by The Securities Act (Nova Scotia), and under the Quebec Securities Act; and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Dated at Toronto this 9th day of April, 1965.

Directors

(Signed) J. W. DEAN

(Signed) ALBERT P. SLOCUM

(Signed) W. E. MATTHEWS

(Signed) L. H. STACEY

(Signed) R. S. McLAUGHLIN
by his agent authorized in writing
L. H. STACEY

(Signed) T. W. TOWELL
by his agent authorized in writing
A. C. SHEPHERD

(Signed) A. C. SHEPHERD

(Signed) E. H. WALKER
by his agent authorized in writing
J. W. DEAN

Agents

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Part VII of the Securities Act, 1962 (British Columbia), by Part IX of The Securities Act, 1955 (Alberta), by Section 39 of The Securities Act, 1954 (Saskatchewan), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by The Securities Act (Nova Scotia), and under the Quebec Securities Act; and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

The following includes the name of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of the undersigned, respectively:

WOOD, GUNDY & COMPANY LIMITED

By (Signed) D. B. DINGLE

C. L. GUNDY, W. P. SCOTT, W. P. WILDER, J. N. COLE,
E. H. ELY, E. S. JOHNSTON, D. B. DINGLE, J. K.
McCAUSLAND and D. ROSS.

HARRIS & PARTNERS LIMITED

By (Signed) N. K. McKINNON

W. C. HARRIS, BARING BROTHERS & CO. LIMITED
and MORGAN, GRENFELL & CO. LIMITED.